

LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

September 23, 2010

Ord, Nebraska

The September meeting of the Board of Directors of the Lower Loup Natural Resources District was held at the Headquarters Office, 2620 Airport Drive, Ord, Nebraska, on September 23, 2010. Chairman Kruse called the meeting to order at 5:02 p.m.

CALL TO ORDER

Directors in attendance

James C. Adams
Darwin B. Anderson, Secretary
Michael P. Gutzmer
Gary A. Kruse, Chairman
James C. Nelson
Gerald P. Smith
Henry J. Thoene

Rollie D. Amsberry, Treasurer
Virgil W. Gellermann
N. Richard Hadenfeldt
James F. Lightner
Dean J. Rasmussen
Bradley R. Staab
Kim Walden

Directors absent

James J. Eschliman
Allen G. Conner
Alan D. Petersen
Darwin R. Sieh

Joseph L. Citta, Jr., Vice Chairman
Craig E. Frenzen
Lyle D. Rasmussen

Staff in attendance

Leon "Butch" Koehlmoos, General Manager
Dell Harris, Water Resources Specialist
Tylr Naprstek, Water Modeling Coord.
Rita Goldfish, Administrative Assistant

Russell Callan, Assistant Manager
Robert T. Mohler, District Engineer
Larry D. Schultz, I&E Coordinator
Daniel J. Ray, Conservation Tech, Greeley

Guests in attendance

Bryce Bauer, DC, NRCS, Ord
Cliff Loseke, Columbus
Larry White, North Loup

Eugene Bredthauer, Ord
Bruce Lammers, Severson, Lammers & Abel

NOTICE OF OPEN MEETING LAW POSTING

Chairman Kruse referred those in attendance to the open meeting law information posted in the Board room.

APPROVAL OF VERIFICATION OF MEETING NOTICE, ADOPTION OF AGENDA AND EXCUSED ABSENCES

Chairman Kruse asked for verification of the meeting notice. General Manager Leon “Butch” Koehlmoos verified that the meeting notices were properly published in all newspapers. The meeting notice was also posted at the NRD Headquarters office in Ord, the NRD web site, and the eight field office locations.

Anderson motioned, seconded by Adams, to approve the verification of the meeting notice, adopt the agenda, and excuse all absent directors. Motion carried by roll call vote, all present voting yes.

MINUTES

Chairman Kruse asked for corrections and/or additions to the August 26, 2010, Board meeting and Public Hearing minutes. Hearing none, Kruse ruled that the August 26, 2010, Board meeting and Public Hearing minutes would stand approved as submitted.

TREASURER’S REPORT

Chairman Kruse directed the Board’s attention to the Treasurer’s Report as published in the regular and supplemental agendas. Koehlmoos told the Board that a payment of \$114,000.00 was made to Cornerstone Mapping for infrared aerial photography of the District. He said a payment of \$38,558.00 to Downey Well Drilling, Inc. was for work on test holes for the ELM Study.

Thoene motioned, seconded by D. Rasmussen, to approve the September, 2010, Treasurer’s Report and pay all the bills. Motion carried by roll call vote, all present voting yes.

PUBLIC COMMENTS

Chairman Kruse introduced Cliff Loseke of Columbus, a candidate for the At-Large seat on the NRD Board. Loseke said that he had worked in management of a farm equipment manufacturing business for over 42 years and is a landowner in the District. Koehlmoos introduced Dan Ray, NRD conservation technician in Greeley County.

AUDITOR’S REPORT – Severson, Lammers and Abel, CPAs, P.C.

Bruce Lammers of Severson, Lammers and Abel, CPAs, P.C., provided the Board with the audit report for Fiscal Year 2010 and presented a summary of the report.

D. Rasmussen motioned, seconded by Smith, to approve the FY 2010 Audit Report. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Gellermann, Gutzmer, Hadenfeldt, Kruse, Lightner, Nelson, D. Rasmussen, Smith, Staab and Thoene. Directors voting no: none. Directors abstaining: Walden. Directors absent: Citta, Conner, Eschliman, Frenzen, Petersen, L. Rasmussen, Sieh.

FORESTER'S REPORT

North Central District Forester Rich Woollen of the Nebraska Forest Service told the Board that Bessey Nursery's Clients Day would be held on October 13th and referred the Board to a flyer included in the supplemental agenda. Directors Anderson, D. Rasmussen, Adams, and Thoene indicated interest in attending.

Woollen said the new Conservation Tree booklet was at the printers and would be available to the public in the coming weeks. He said that Thousand Cankers Disease is a concern for black walnut trees. The disease has shown up in states where the tree is not native. Nebraska has placed a quarantine on black walnut products from states where the disease has been found. Lightner asked if the disease was becoming more of a concern among Nebraska's native species and Woollen said that some of the issues have arisen from exotic species introduced to the country. He said that diseases and infestations occur in cycles and this year's weather has also been a factor. Staab asked if Woollen had encountered any information regarding genetically modified trees and Woollen said he had not.

NRCS REPORT

District Conservationist Bryce Bauer told the Board that the NRCS offices were wrapping up the fiscal year which ends September 30th. He said that the new deadline for CSP was October 30, 2010. An additional application had just been approved and 44 had been funded overall, totaling approximately \$800,000. Bauer reported that EQIP contracts had been completed and four new contracts had been funded for the Gracie Creek watershed as a priority area for prairie chicken habitat. Cedar trees would be removed to provide areas for the species breeding grounds.

Bauer said that the Albion range conservationist position had been advertised and should be filled by November. He indicated it would be the only range conservationist position in the District. All applications for CRP contracts had been approved. Bauer thanked the Board for its support of the Range TSP positions. He said his staff helped with the range judging contest on Tuesday. Koehlmoos said that he appreciated the NRCS contribution to the range judging contest as it required a large staff and time commitment.

ENGINEERING REPORT

Big Slough Repair

District Engineer Robert Mohler provided the Board with a power point presentation of the work on the Big Slough repair project. Nelson said he would provide some mulch as part of the re-seeding of the area. Hadenfeldt said that the county had smoothed part of the area with a caterpillar.

Mira Creek – Bredthauer Dam

Mohler told the Board that he had researched the flood benefits that could be attributed to the Bredthauer Dam. Much of the data was available from the channel clearing project completed by the District a few years prior. He said that the dam appears to overtop at a 15-year frequency flood. He said the formula shows that it provides \$12,300 average annual benefits up to a 15-year flood. He said that over a 15-year flood, it results in \$12,000 in benefits and \$9,000 in additional damages. He said there are about \$2,700 net benefits to the dam. He said that if Mr. Bredthauer would present a project proposal, the NRD could participate at a level of 20 percent over the 15-year period, or about \$8,000.00. Mohler said any proposal would need to meet the corresponding state statutes.

Larry White of North Loup said he owns property adjacent to the Bredthauer property. He supports Bredthauer's request for assistance to rebuild the structure. White said he was concerned with the liability issues. The Bredthauer Dam has provided the community of North Loup with flood protection for a number of years. He said that the flood event resulted in water 12 feet beyond the banks of the creek. The creek flows have increased over the last 20 years because of the surface water irrigation system. He said that high groundwater levels contributed to the flood event.

D. Rasmussen said that he believed the dam was important to the community and Walden asked if the village had taken a stand on the dam. Rasmussen said that it had not. Staab said he supported the project. Gellermann said the Board would need to get a proposal with designs and plans to review before action could be taken. Walden asked if there were design modifications that could be made to improve the performance of the dam. Mohler said if the emergency spillway was increased from 100 to 200 feet wide and the dam elevation was increased by 2½ feet, it would come closer to meeting design standards. Koehlmoos said Bredthauer would need to determine what purposes he wanted the dam to serve and provide a design that meets statutes.

INFORMATION AND EDUCATION REPORT

State Range Judging

Information/Education Coordinator Larry Schultz told the Board that 322 competitors took part in the Area 4 Range Judging Contest. Ord student, Johnny Ference, was the Senior division winner and Taylor Hornickel, also from Ord, finished first and Dusty Staab third in the Junior division. Ord finished first in both the Junior and Senior team contests. Schultz said he assisted with the Area 2 contest in Dunning earlier in the day and Sargent and Burwell competitors finished well there. The State Range Judging Contest will be held in Webster County near Red Cloud on September 29th.

Environmental Festival

Schultz told the Board that the festival would be held October 6th at Auble's Pond in Ord's Bussell Park. The festival theme is **Water** and Schultz said his session was "Water Rockets" with each school competing for the highest altitude and best decorated.

Schultz said that the Lower Loup NRD would have two award winners at the NARD Annual Conference. Pat and Vicky Hruby of Comstock were winners of the *Outstanding Grassland Conservation* award and the Eldon Foth family was the winner of a *Master Conservationist* award.

NRD Apparel

Schultz asked that the Directors complete the forms provided for NRD jackets that were part of the NRD's apparel policy.

ASSISTANT MANAGER'S REPORT

Variance Committee

Assistant Manager Russell Callan said the Variance Committee had met earlier in the day and heard three requests, each for the first time, so no action would take place until next month. The minutes from the meeting were included in the supplemental agenda. Koehlmoos said that the minutes should reflect that Directors Hadenfeldt and Kruse were also in attendance.

Groundwater Management Area Activities

Water Resources Committee Recommendations

Assistant Manager Russell Callan said that the Water Resources Committee met on September 15th and had made three recommendations. He said the first came following discussion of a four-mile buffer zone developed by staff that would be used as a tool in the transfer of irrigated acres. Naprstek provided the Board with a power point presentation of a map showing the buffers. Callan said that transfers would be allowed only in the basins depicted by these buffers. That would prevent transfer of irrigated acres from over long distances from one basin to another. He said that transferring in this manner would not cause new stream depletions, rather it would just move the depletion from one area to another in the same stream basin.

Callan said the second recommendation from the Water Resources Committee was the implementation of a fee to be charged for irrigated acres transfers. He said the fee was based on the amount of time required of District personnel to manage the transfer paperwork. He said the committee recommended a \$150 fee. He said that the title search fees would also be the responsibility of the party requesting the transfer. Walden asked if the fee would be charged if the transfer request was denied and Callan said that it would not because a denied request doesn't require as much staff time.

Callan reported that the Water Resources Committee also recommended some rules changes and provided the Board with a power point presentation on the proposed changes. The changes included the definition in Rule 2 of a "Banked Acre," which shall mean an acre of water use that is recognized by the District; that is not currently being used; and is available to the District to offset new water uses approved by the District. He said that another change in Rule 5 would change the number of days an alleged violator has to respond after receiving notice from "not less than 7 days" to "not less than 10 days."

Another change, in Rule 15, regarded transfer of irrigated acres. He said state statute requires that the person providing the irrigated acres notify the lien holders on that property. He said the NRD rule needed to be changed from both parties in a transfer to the party giving up the acres.

Callan said that, in Rule 18, the phrase “transfer permit” was changed to “transfer” as there is no transfer permit as there is in surface water. Also in Rule 18, Callan said the details on the application fee would be included. He said that the transfer details in Rule 18 would be adjusted to match groundwater terms, not surface water. He said that transfer applications would no longer be acted on within 60 days, and rather would use March 1st as the date by which transfer requests must be acted upon.

Callan said that a change in Rule 19, “areas of concern”, would be stricken to allow for actions in areas of high water table. It would also be modified to meet the lien holder terminology modified in Rule 18. It would include a limit of transfers on the same property to once a year. He said that it would also include a limitation that the transfer would not result in an increase in irrigated acres.

Nelson motioned, seconded by Gellermann, to approve the Water Resources Committee recommendations to modify the Groundwater Rules and Regulations, including the four-mile buffer zone for transfers, the \$150 transfer fee, the definition of “banked acre” in Rule 2 and the Modifications to rules 5, 15, 18 and 19. Motion carried by roll call vote, all present voting yes.

Koehlmoos said the Board would need to set a date and time for a public hearing for the new groundwater management rules.

Staab motioned, seconded by Anderson, to hold a public hearing on the modifications to the Lower Loup NRD Groundwater Management Rules and Regulations on October 28, 2010, at 5:30 p.m. Motion carried by roll call vote, all present voting yes.

Irrigated Acres Certification Progress

Callan said the work continues and there was nothing new to report.

Area 28 Activities

Callan said that meetings continue with Olsson Associates representatives on the Area 28 Study. He said that five locations have been selected for five test holes and easements have been approved. He said the drilling work would begin on Monday.

ELM Update

Water Modeling Coordinator Tylr Naprstek told the Board that the ELM group had met the previous month and the group had reached consensus on some conceptual ideas and USGS had been given the go-ahead to begin Phase III.

Callan said that the NRD had received applications for 11,800 acres of new irrigation in 217 applications. Naprstek provided the Board with a presentation on how the new irrigated acres applications are processed and ranked.

MANAGER'S REPORT

Spalding Property Offer and Update on Building Project

Koehlmoos said that the District had received a signed offer from Mark Haske of Spalding to purchase the NRD's property in Spalding. He said the offer was for \$1,600 for each of the four lots owned by the NRD. Koehlmoos said that he had discussed the possibility that the NRD might move its field office operation from Greeley to Spalding. The offer would remain on the table until October 1, 2010. Kruse asked what the time frame for potential office relocation would be and Koehlmoos said the investor group had met with NRCS state office personnel and a public hearing would be held in October or November. He said public hearings would be held in both Greeley and Spalding. The process is moving forward.

Kruse asked what the investors had proposed and Koehlmoos said that they are interested in building a new building on the NRD's lots. He said that until the public hearing is held, the matter remains static. Adams expressed concern that if the office was moved, the Burwell office might be closed. Koehlmoos said that he has been told that is not the NRCS's intention. Bauer said that NRCS workload in Burwell was enough to maintain the office in that location. He said that some Wheeler County business would move to the Greeley County office. NRCS is looking into a new office for Burwell as well and specs and a floor plan have been submitted. Thoene asked if Blaine County business might be moved to Burwell and Bauer said it was unlikely. Bauer said the Greeley, Fullerton and Albion offices currently have the lowest workload (number of contracts) in the NRD.

New Hires

Koehlmoos reported that there were no new hires.

NARD REPORT

Director's Report

D. Rasmussen said the NARD Board would meet at the NARD Conference in Kearney. He said the Board met in a conference call the previous week.

2010 Annual Conference – Resolutions, etc.

Koehlmoos reported that there were no major issues to discuss regarding proposed resolutions.

NRC REPORT

Commissioner's Report

Dick Hadenfeldt said that the Natural Resources Commission would meet in Kearney in the coming week.

RC&D REPORTS

Loup Basin RC&D

D. Rasmussen told the Board that the RC&D had its annual meeting Tuesday night in Brewster. He said that he had been re-elected as an officer to the RC&D Board.

PrairieLand RC&D

Lightner said the RC&D held its annual meeting and banquet in Norfolk. He said the group toured the facilities of Northeast Community College and the Norfolk Arts Center. He said the group heard from the mayor of Norfolk and a representative of Senator Ben Nelson. The group also heard from the Norfolk Chamber of Commerce and received a presentation on the Norfolk Riverwalk.

ANNOUNCEMENTS

There were no announcements.

ADJOURNMENT

With no further business before the Board, Chairman Kruse declared the meeting adjourned at 7:00 p.m.

Roster for attendance of this meeting and tally of votes cast on motions at this meeting are being filed with the official minutes of this meeting at the Lower Loup Natural Resources District's Headquarters Office, 2620 Airport Drive, Ord, Nebraska. Publication notification of this meeting was made via newspaper in each county within the District. The next Board of Directors meeting will be held Thursday, October 28, 2010, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

Darwin B. Anderson
Secretary